



1955

The Economic Redevelopment of Herrin, Illinois

Lawrence Eugene Lewnard
Loyola University Chicago

Recommended Citation

Lewnard, Lawrence Eugene, "The Economic Redevelopment of Herrin, Illinois" (1955). *Master's Theses*. Paper 1108.
http://ecommons.luc.edu/luc_theses/1108

This Thesis is brought to you for free and open access by the Theses and Dissertations at Loyola eCommons. It has been accepted for inclusion in Master's Theses by an authorized administrator of Loyola eCommons. For more information, please contact ecommons@luc.edu.



This work is licensed under a [Creative Commons Attribution-Noncommercial-No Derivative Works 3.0 License](https://creativecommons.org/licenses/by-nc-nd/3.0/).
Copyright © 1955 Lawrence Eugene Lewnard

THE ECONOMIC REDEVELOPMENT OF
HERRIN, ILLINOIS

by

Lawrence Eugene Lowhard

A Thesis Submitted to the Faculty of the Institute
of Social and Industrial Relations of Loyola
University in Partial Fulfillment of the
Requirements for the Degree of Master
of Social and Industrial Relations

February

1955

LIFE

Lawrence Eugene Lewnard was born in Cincinnati, Ohio on January 18, 1928.

He was graduated from St. Philip High School, Chicago, Illinois, February 1945, and from the Illinois Institute of Technology, June 1951 with the degree of Bachelor of Science.

Since his graduation he has been employed in the Personnel Department of a Chicago, Illinois food manufacturer. He began his graduate studies at Loyola University in September, 1951.

PREFACE

Herrin, Illinois is a coal mining town in southern Illinois which was faced with economic problems growing out of its abandonment by the mining companies.

The activities of the people of Herrin to restore the economy of their community came to the attention of Dr. Charles W. Anred of the Institute of Social and Industrial Relations of Loyola University early in 1953. Dr. Anred has been interested in the many problems of the coal mining industry and arrangements were made for a study of the activities of Herrin.

A field trip was made in January 1953 during which on-the-spot material forming the basis of this thesis was collected.

Special thanks are due the businessmen of Herrin who cooperated by opening their files in this project and who gave much information in interviews.

TABLE OF CONTENTS

Chapter	Page
I. A COMMUNITY AND ITS ECONOMIC FOUNDATIONS.....	1
Unusual history of Herrin--Problems of change in industry-- Factors causing increasing importance of this problem-- Possible areas in which the problem may be felt.	
II. THE GROWTH AND DECLINE OF HERRIN.....	7
Location--Early history--Population background--Potential of the population--Geology of the area--Commercial history-- Problems of the coal industry--The Depression.	
III. PLANNING TO IMPROVE THE FUTURE.....	22
The ordnance project--Land-a-factory projects--The Plan-U-Day-- The solicitation.	
IV. OPERATION OF THE DEVELOPMENT PROGRAM.....	33
Early experience--Herge--Smoler--International Staple--Allen-- Sum of accomplishments.	
V. INTERNAL WORKINGS BEHIND THE PROGRAM.....	45
Role of leadership--Cooperative planning--Sales techniques.	
VI. AN ANALYSIS AND COMPARISON.....	52
Relevant factors--Historical development--Loyalty--Comparison with another study.	
BIBLIOGRAPHY.....	59

LIST OF TABLES

Table	Page
I. OCCUPATIONAL DISTRIBUTION.....	11
II. COST OF SMOLER FINANCING.....	38
III. COMMUNITY INVESTMENT AND RETURN.....	43

CHAPTER I

A COMMUNITY AND ITS ECONOMIC FOUNDATIONS

The city of Herrin, located in Williamson County, in the southern part of Illinois is the scene of a significant experiment in community cooperation with the goal of rebuilding an economy which has lost the industry that formerly was its primary source of revenue. For many years, coal mining companies operating throughout the southern Illinois area provided the wages and spendings which supported entire communities. One of these communities is Herrin, but the mining companies went out of business a number of years ago. The story of Herrin is the story of a town which refused to die as others have died. It is the story of a town which fought back and, through its fight, has regained not only a level of prosperity but has gained something which it has never had before. Herrin has developed a stable diversified economic base for its future growth.

In relating the work and planning that went into the achievement, it is easy to become laudatory and describe the achievement of the end as an exceptional chapter in the history of one town. For a community of about ten thousand persons, Herrin has had an exceptional history. Some may remember a day in June of 1922 when newspapers throughout the country read like this: "The most brutal and horrifying crime that has ever stained the garments of

organized labor."¹

They were describing the attack on working miners brought in from other parts of the country who defied the population of the area which was honoring the strike call of the miners' union. In that attack, eighteen men lost their lives and the area won the name "Bloody Williamson."²

In 1924, it was the scene of Klan violence, and in 1926 and 1927 the scene of a gang war.³ It may be observed that major undertakings are not unusual in Herrin. This phase of its history is just as spectacular as the others. It is not at all improbable that the cooperation found in large-scale violence and the cooperation necessary for economic recovery are not unrelated.

The importance of the activities in Herrin is not to be found in relation to its past history. In what it has done, Herrin has shown the path which other towns may wish to follow. Herrin has become a pioneer in finding a solution to what may become a serious problem in America.

When describing the American order, writers usually list among the distinguishing factors the flexible and dynamic nature. The American system expands and contracts in response to consumer demands and in response to changing conditions. Slichter gives this dynamic aspect as being one of the five characteristics of the American economic system.⁴ Yet, one of the by-

1 St. Louis Globe-Democrat, June 24, 1922, quoted in Paul M. Angle, Bloody Williamson, New York, 1952, 3.

2 Angle, Bloody Williamson, 10.

3 Ibid., 285-288.

4 Sumner H. Slichter, The American Economy, New York, 1950, 21.

products of this system is necessarily "Industrial Dislocation."

Industrial dislocation is simply having the place where you work close down or move to another area. It is not a new problem. There are examples of it throughout the nation such as the whaling in New England, the cigar industry of Key West, Florida,⁵ out-over timber land in many parts of the country, copper mines in Michigan, woolen and cotton mills in Massachusetts. Whenever this occurs, there is a pattern of unemployed persons, no available jobs, business losses, failures and dejection.

This situation is becoming more frequent and more important in this country as time goes on. The cause of it has not been defined although three factors may be significant. They are the age of American industry, the age of cities and the disappearance of frontiers. These, together with the distinct change from an agricultural to a manufacturing economy, may contain some of the reasons for the rise in the incidence and importance of industrial dislocation.

Without the aid of studies into the question any analysis is purely conjectural, but perhaps there is a cycle in which business selects a site for operations, produces and depreciates facilities, decides that equipment is outmoded, sources of supply depleted or labor costs are excessive and then selects a new site for operations if a change is justifiable. This is of

⁵ Malcolm Brown and John Webb, Seven Stranded Coal Towns, United States Printing Office, Washington D.C., 1941, XVIII.

obvious importance when the selection of a site is based on mineral resources such as coal or iron ore. When the reserve is depleted, recovery operations must be relocated at a new source.

The second point, the age of the city relates to the question of how deeply the residents have grown roots in their home towns. As years go by, people and families tend to become less mobile. They develop attachments, social relationships and traditions which they are reluctant to abandon. Quite often there will be older members of the family who are unable or unwilling to leave. This tends to make the problem more serious than it was in former times.

The third factor is the end of the frontier and, it might be added, the frontier spirit. As few as forty years ago there were still unpopulated territories in the United States and there were vast opportunities for persons who were willing and able to move to these areas and start anew. Because of the opportunities, people were lured west. Given the price of transportation, people were free to seek new fortunes. Not all the unemployed in a given area would travel but those who did would relieve some of the pressure on those remaining. There are still frontiers; there are new industrial locations being developed, but people are not aware of them as persons years ago knew of the west. Jobs at a new Pennsylvania steel plant do not strike the same chord as free land in Arizona. Many persons do not even know about the new steel plant but many knew of the existence of free land.

Since a far greater proportion of the population is now dependant on industrial employment, this problem is more serious. In years to come it may become even more so.

Southern Illinois formerly derived almost its entire income from coal mining. Today, there are very few operating coal mines left in southern Illinois and the area generally is in economic difficulty. The same thing may happen to other regions which depend on one factory.

If that time comes, then the experience gained from communities such as Herrin, Illinois will be helpful to those persons who wish to see their own area redeveloped.

An area facing economic dismemberment has some alternatives from which to choose when making a decision as to how it can best face the problems of the future. The life of the community and the community itself can be permitted to contract in the fashion predicted by the classical economists. New industry can be attracted. Governmental assistance may be enlisted. The variable costs of the area may be artificially adjusted to minimize the spread which exists between the area to which industry proposes to move and where it is currently located.

This is not an all-inclusive listing of the options at the disposal of the community. It is intended only to indicate that there are a number of possibilities which can be studied locally before a decision is to be made. Each of these has been tried with varying degrees of success by different communities at different times under a variety of circumstances. One thing is obvious. Each community must select its own plan based on its own

particular condition, make-up and resources. What worked so well for Herrin might be a complete failure for another area because Herrin has assets which other areas may not have. However, it is possible and probable that other areas have reserves which Herrin did not enjoy.

This is the story of a town which selected the attraction of new and diversified manufacturing to provide employment for its unemployed residents.

CHAPTER II

THE GROWTH AND DECLINE OF HERRIN

Herrin, is a community of 9,351 persons located in the center of the third most densely populated area of the State of Illinois.¹ Within a twenty-five mile radius there are a number of small communities which have developed around the producing coal mines and whose aggregate population is in the vicinity of two hundred and fifty thousand.² It is located 295 miles south of Chicago, 105 miles south-east of St. Louis and 150 miles north of Memphis, Tennessee.³

Herrin was founded over one hundred years ago as a farming community but, as such, enjoyed little growth. The soil of the surrounding area is not satisfactory for farming on the scale common in other parts of Illinois. To date, the most successful agricultural utilization has been found to be in fruit orchards and grazing. It wasn't until the early part of the twentieth century that the Williamson area and particularly Herrin, emerged into commercial importance. Coal was discovered in the region and it was this Williamson coal which helped bring about the industrial middle west.

1 U.S. Department of Commerce, Bureau of the Census, Census of Population: 1950, I U.S. Government Printing Office, Washington, D.C., 1952, 18-29.

2 An undated industrial brief prepared by the Herrin Chamber of Commerce.

3 Ibid.

The geology of the surrounding area led to its early development as a primary source of bituminous coal. Twenty miles south of Herrin, a thick seam of high quality coal comes to the surface and gently slopes downward as it runs below the county. It is this vein which yielded almost all of the coal mined in the vicinity. Together with this supply, the convenient location of the area was of almost equal importance because transportation was good to the centers requiring this fuel.

The people who now live in Herrin are primarily the descendants of two diverse stocks. These people left their homes in various parts of the United States and Europe to find employment in the mines which were opened in the early nineteen hundreds. Approximately seventy per cent of the inhabitants trace their ancestry to the English colonists who settled the southern states early in American history and who followed the river route of the Ohio in seeking better farms. It is these people who were first attracted to the mines of the area, coming from the marginal farms of southern Illinois, Kentucky and Tennessee.⁴

The second major group is composed of second and third generation descendants of Lombardy Italians who came directly from Europe to Herrin to find work in the pits about the year 1910.⁵ Both of these groups have grown together over the years and the way of life in the town is an assimilation of the attitudes and thoughts of both with more evidence of the English

4 Angle, Bloody Williamson, 72.

5 Ibid., 138.

and hardy American way of life.

There are strong attachments between the community and these people. During World War II, many left the area to work in defense plants throughout the country or to serve in the armed forces, yet a study indicates that the vast majority of those who did leave returned and reestablished their homes in Herrin.⁶ In addition, about eighty-eight per cent of the residents own their homes.⁷ It seems quite certain that the people are firmly entrenched in the community.

Another factor which sets Herrin off from some other communities is the propensity of the general population to form and remain members of strong, active voluntary organizations. A city directory published in 1948 lists thirty civic associations, twelve labor organizations and fifteen churches.⁸ This is a very large number of organizations for a town the size of Herrin. Not only are there a large number of organizations but each has a large membership, some groups such as the Elks with as many as four hundred who regularly attend club meetings.

These groups are based strongly on community lines. There seems to be little contact between the organizations of Herrin and those of the towns in the immediate vicinity. There is indication of only one successful inter-community or area-wide civic association, Southern Illinois, Inc., the regional chamber of commerce.

6 Morris A. Horowitz and Martha Carlton, Crab Orchard Labor Market Survey, University of Illinois, Institute of Labor and Industrial Relations, Urbana, Illinois, 1948, 6.

7 An industrial brief prepared by the Herrin Chamber of Commerce in 1945.

8 Herrin Junior Chamber of Commerce, City Directory, 1948, 78-82.

Herrin lies in the center of the area that is usually called Crab Orchard, named for the artificial lake between Marion, the county seat, and Herrin. It includes those communities within a twenty-five mile radius.

A survey of this labor market area was conducted by the Institute of Labor and Industrial Relations of the University of Illinois and revealed some interesting information about the labor potential of the area. Regarding population stability it was found:

88 per cent of the population had lived in the area over sixteen years.

64 per cent had lived their entire lives in the area.

96 per cent intend to remain.

67 per cent who left during the war returned.⁹

When considered along with the economic history of the area, these figures are quite significant and revealing. They show the dogged determination of the citizens and their faith and affection for their homes.

This study also indicated that the work force of Crab Orchard was considerably more skilled than that of the nation as a whole. A comparison with the entire nation is as follows:

9 Horowitz and Carlton, Crab Orchard Labor Market Survey, 5-6.

TABLE I
OCCUPATIONAL DISTRIBUTION

Occupation	Crab Orchard ^a	U.S. Average ^b
Professions	13%	7.1%
Clerical and Sales	14	18.8
Craft and Manual		
Skilled	20	13.9
Semi-skilled	24	21.3
Unskilled	12	20.4
Other	17	18.5
Total	100%	100.0%

a Horowitz and Carlton, Crab Orchard Labor Market Survey, iii.

b Adapted from Bureau of Census, Current Population Reports: Labor Force, March 12, 1948, as quoted in Joseph Shister, Economics of the Labor Market, Chicago, Illinois, 1949, 4.

Commercially, Herrin became important in about 1900 when coal was discovered in the area and working shafts were sunk to recover the deposit. At one time there were sixteen working mines within view of the Herrin City Hall.¹⁰

10 Brown and Webb, Seven Stranded Coal Towns, XXIII.

These mines attracted many workers and in the ten years from 1900, to 1910, the population of the city increased from 1559 to 6861, an increase of about 340 per cent.¹¹ This is an indication of the attraction which employment opportunities in the area exerted on prospective workers. The sum total of these employment opportunities was to be found in mining.

The coal field was attractive to any group in a position to engage in the exploitation of the wealth. The seam at Herrin is only a few hundred feet below the ground level. As little as ten miles to the south it is sufficiently close to the surface to permit the use of the open strip technique of recovery. The seam itself is unusually thick, approximately eight feet, which is more than ample to allow full utilization of mechanical equipment as these tools became available. The coal itself is of high quality with a low sulphur content and high btu value. Above all, the seam is almost level lying which means that it was possible to move the cut coal without the necessity of continually going deeper.¹² Neither was it necessary to install costly power equipment to counterbalance the force of gravity when moving the loaded cars along the corridors. These natural advantages, combined with a location so near the growing industrial centers of Chicago and St. Louis, made the southern Illinois region a very important find for coal operators.

¹¹ Department of Commerce and Labor, Bureau of the Census, Thirteenth Census of the United States, Government Printing Office, Washington, D.C., 1913, 87.

¹² Brown and Webb, Seven Stranded Coal Towns, 1.

Coal was first discovered late in the nineteenth century, but local capital accumulated from farming was not sufficient to finance the organization of mining companies.¹³ Three outside groups became interested in the fields of southern Illinois and particularly in those of Franklin, Saline and Williamson counties. They sent their agents methodically buying and leasing all available land which was a possible source of coal. These three groups, i.e., four railroads, two steel companies and six Chicago and St. Louis coal dealers, constituted the almost exclusive operators of the three-county southern Illinois coal field.¹⁴

When a community grows around a commercial establishment and, particularly around coal mines, U.S. history has shown it usually follows one of two basic patterns. The pattern which is followed will determine the future of that community to a great extent. Quite often the mining company will develop the entire life of the community in addition to the developing of the mine itself. The company will build and rent the homes. It will establish and operate the stores. The worker seldom owns more than the furniture in his home and will have no permanent investment in the area other than his job. This is called the Company Town.

If the company decides to close the mine, the worker ordinarily packs his few belongings and moves to a new locality. The only requirement is that he can meet the transportation cost. There is seldom an investment made

13 Angle, Bloody Williamson, 79.

14 Brown and Webb, Seven Stranded Coal Towns, 5.

in property or business and no firm interests are developed which would root the worker to the area.

The second pattern is the one which was typical in southern Illinois. The towns were established and most of the land was owned by farmers living in the area before the discovery of coal. The money which these owners received from the coal companies either in purchases or leases was sufficient to establish them and those who were among the early arrivals following the coal discovery in private business. They opened commercial and service establishments of their own and catered to the newly arriving miners.

As a result of this, the mining companies were not at all interested in the community life of Herrin or the other surrounding towns. Theirs was a detached interest limited to mining only and more like the industrial organization common today than the mining industry of the period. On the other hand, almost the entire community life was either directly or secondarily dependent on the continued operations of the mines. In a company town, the residents have no attachment other than their jobs. In Herrin, not only jobs but also the wealth of all the citizens was tied up in homes, real estate or businesses which depended on miners' wages for continued value. There is no evidence that Herrin was ever a company town.¹⁵

It might be well to pause here and list the factors which in retrospect were dominant in the development of Herrin.

1. The southern Illinois area was of poor quality for farming and only able to support a small portion of

¹⁵ Ibid., 136-137.

population of the town after the discovery and exploitation of coal lands.

2. Coal was the major source of income for the entire area and was developed almost exclusively by the efforts and financing of outside interests.
3. Although the coal industry was practically the sole support of the area, most commercial activity other than mining was developed by the local inhabitants and these businesses represented almost the entire amount of investable local capital.
4. The people of the area were dependent on the coal mines but had no voice in the determination of the plans of that primary industry.

During the period from 1900 to 1922, these factors were not too seriously considered even though some persons periodically warned of the inherent weaknesses to be found in a monobasic economy. As one survey stated, "Good quality coal at reasonable prices will be available for many years."¹⁶

Yes, good quality coal would be available but by 1923 a weakness in the American coal industry became apparent.

American coal mine capacity far exceeded the normal demand. From 1915 to 1920, the later stages of expansion, capacity was increased

¹⁶ An Economic and Commercial Survey of Herrin, Illinois, Illinois State Planning Commission, March, 1941.

tremendously to supply world industrial needs during and immediately after the first World War. At the end of that war, the world mineral market returned to normal and, concurrently, American industrial production was cut back somewhat. Less coal was needed domestically and the coal exports were cut sharply. Bituminous coal output in 1918 was over 579 million tons but in 1921 was down to less than 416 million tons.¹⁷ This was a drop of 28 per cent. Exports in 1920 were a net of over 37 million tons. In 1922 a mere 7.35 million tons were exported, about one fifth of the 1920 figure.¹⁸ In 1923 the American capacity was 865 million tons but needs were only 565 million tons, a 50 per cent excess in capacity.¹⁹ This in itself was a disastrous situation but, for the miners, it was only the beginning. This period saw the introduction of major mechanical innovations and also the introduction on a large scale of the competitive fuels: gas, oil and electric power.²⁰

When faced with a market situation such as this, managers of a business make a decision as to the future course of action of their particular firm. All coal operators took a close look at the facilities which they were utilizing to determine their place in the highly competitive market. These are the factors which the mine operators in southern Illinois found on the balance sheet of future possibilities:

17 Bituminous Coal Institute, Bituminous Coal Annual, 1952, Washington, D.C., 1952, 82-83.

18 Ibid., 136-137.

19 Bureau of Mines, Mineral Yearbook, U.S. Department of Interior, Washington, D.C., 1936, 562, as quoted in Brown and Webb, Seven Stranded Coal Towns, 54.

20 Brown and Webb, Seven Stranded Coal Towns, 54.

1. The mines in southern Illinois had, for the most part, been in operation for approximately twenty years. To bring the coal to the surface it was now necessary to move long distances underground to the shaft elevator.
2. A newer, high quality deposit of coal had been developed in the Appalachian region and was moving into the Chicago market taking the sharp edge off of the advantages which southern Illinois coal had enjoyed for so many years.²¹
3. Southern Illinois was one of the earlier seats of the wide scale unionization of the mine workers and the workers were strongly union conscious. The operators in this region found that their operations were required to bear the price of union labor, considerably higher than that of non-union areas and at the same time, run the risk of a strike if satisfactory terms were not reached at the bargaining table.²²

The combination of these factors was sufficient to place the southern Illinois fields in a poor competitive position. Output from the mines in the area began to be curtailed. In 1923 there were 103 mines in

21 Ibid.

22 Ibid.

operation in the three county area. By 1939, that number had been reduced to 35.²³ The impact was even greater on the area immediately surrounding Herrin where at one time there were sixteen mines. Today there are none.

Still there was more to the problem than just the number of operating mines. The question of the number of men displaced by mechanization in the mines which did remain in operation must also be given consideration. The only saving feature of the Williamson, Saline, Frankfort region was that the coal vein was well suited to the utilization of machine methods and, through the adoption of these modern tools, some mines did survive. Yet the men whose place was taken by this equipment had little chance for re-employment in other mines since there were so few left and since there was no other industry in the area in which the displaced workers could find employment.

In 1923, the mine work force in Williamson county pits was 12,854. In 1939 the work force was but 1,358.²⁴

The number of mines declined to one third and the number of miners to one tenth of the earlier peaks.

It has been said that the depression which hit the nation as a whole in 1929 had hit the southern Illinois region six years earlier and remained until 1939; sixteen years of depression can leave a deep mark on any region.

The entire area was depressed and the people were tied to the

23 Ibid., 157.

24 Ibid., 158.

region by close ties which made it difficult for those who were hit the hardest to make any moves to improve themselves. Herrin had a population of 9,608 persons in 1939 with a work force of 4,088. Of this group, only 1,506 were working more than thirty hours in a week. These were the fortunate who could be considered to have full time employment in civilian enterprises. There was a second group who were employed but whose employment was less than thirty hours per week. This group numbered 1,016 persons. Then there was the last group, those who were unemployed, and these outnumbered either of the above classifications of employed. There were 1,566 workers who were unable to find normal civilian employment and who were dependent on either state assistance or federal emergency employment to meet their needs for continued livelihood.²⁵

The picture in Herrin was disastrous and there was little likelihood of any improvement even if the national picture improved. The mines had been closed forever. The equipment had been removed and the tipples destroyed. There was no employment to be found in the area regardless of what happened in other parts of the nation.

The coal companies which had closed their operations were no longer interested in the fate of the inhabitants. They owned nothing more than their mine property, and this property had returned all that it could. The minerals which could economically be recovered had been recovered, and the surface ground, which, in its original state was of poor quality, was even less desirable after the mining operation. Mineral salts are washed over

25 Ibid., 164.

the land during the mining and have a harmful effect on the fertility of the soil for years to come.

The communities were independent. The coal companies owned only the mining property. Almost all the local capital was tied up in business investments in the area and none was available after the long depression for any new business ventures which would employ local workers. The area was without any exportable product which could be sold in other parts of the country to bring in the revenue necessary to purchase products not made in the region, and the region was far from self-sufficient.

The people were reluctant to move from the area, too. The people liked their homes as well as the family bonds and friendships which had developed over the years. There is always inertia and hope that things might get better. Besides, the people who entertained the idea of moving on to new locations were faced with the problem of making the move and being able to pay the costs incurred. The time and expense in another area without income while actively seeking employment must be considered. Even if they did have the courage to move to another area and did have the finances to support such a move, there was still the question of where opportunities would be better. It was the tail end of the great depression and, even though business conditions were beginning to improve in the nation as a whole, still jobs were far from plentiful. The opportunities for the stranger are poorer in any labor market than they are for the long time resident.

There was still another deterrent. The people of southern Illinois had almost all of their savings invested in their property and this was particularly true of the working man. Homes which cost four thousand dollars

when purchased and for which the people had worked so long and so hard were selling for from \$75.00 to \$150.00.²⁶ There is always an understandable unwillingness on the part of people to write off their life's investment as a sunk cost.

There was nothing to do in Herrin. There was no desire on the part of the people to move out. Years of trying to induce other industries to establish plants in the region had been unsuccessful. There was little to believe that things would get better. Life seemed to have reached an unhappy stalemate in Herrin.

26 Chicago Daily News, September 5, 1946, 1.

CHAPTER III

PLANNING TO IMPROVE THE FUTURE

There is still a town of Herrin today and many of the inhabitants are actively employed in industries which were attracted through their own efforts. Where fifteen years ago there were no employing industries, today there are five manufacturing enterprises whose future seems good, and, as a result of the decisions on the part of these five companies, there are currently approximately 1900 jobs available in Herrin. The manner in which these jobs were created is a story of community cooperation and faith in the future.

The economic decline of the southern Illinois region has been detailed in the preceeding chapter and it will be remembered that there were almost no employment opportunities in Herrin other than those of a service and retail nature as late as 1939. By 1939, the economic picture on a national scale began to show signs of improving. The United States was beginning to show an awareness of the needs for its own rearmament in view of the international situation and the governments of other nations began to call upon the American industries to assist their own in the production of war material. Things began to look better in southern Illinois also, not because any of the old mines were re-activated, but rather because the people of the area began to talk and move with confidence.

The hopes and plans and talk of the future which the townspeople were expressing began to take form and, on November 1, 1939, a meeting of all

the citizens was held in a local theater. A plan of action, prepared by civic leaders and businessmen, was outlined which, it was hoped, would make it possible for the residents of the area to report for work in the mornings and possible for them to bring home paychecks; possible for them to spend money in the local stores, not money from relief checks but money that had been earned in the way which men are accustomed to earning without reliance on public relief measures.

The plan in its essence was very simple. A small public subscription would be conducted and with the money raised in this manner, material would be detailed stating the needs of the area. Representatives would be sent to Washington, D.C., in an attempt to induce the Federal government to construct and operate some form of defense plant in the area. The only money which was requested was an amount sufficient to carry out such a program. People reacted favorably and \$1,941.00 was raised. The degree of participation is indicated by the fact that of the total amount raised, the largest single gift was only fifty dollars.¹ The greatest share of the fund came from the nickels and dimes of those persons who would most directly benefit from the work project.

The efforts of the citizens were successful. An ordnance plant was constructed by the War Department and its operation was turned over to the management of Sherwin-Williams Company in 1941.²

1 A mimeograph appeal to the people of Herrin in conjunction with the drive for the funds for the Herrin Community Council, 2.

2 Ibid.

The ordnance plant was located a few miles from Herrin on Crab Orchard Lake and went a long way toward providing adequate employment for the residents of the southern Illinois region. During the war, approximately five thousand persons, about 25 per cent of whom came from Herrin, were employed at these facilities. This operation relieved the distress of the immediate area.³ These jobs, combined with the employment found in industries in other parts of the state by those who temporarily left their home, did much to improve the employment situation for the residents of Herrin for the time being.

The economy was still not on a firm footing as everyone realized at the time. People were aware of the transient nature of any prosperity based on production purely for war purposes, and yet the realization of the true situation did not become clear out until one day in 1944 when Col. Ware, the director of Ordill, was speaking at a meeting. During a question session following the talk, someone asked how long after the end of the hostilities could the Ordill work be reasonably expected to last. His answer has been reported as being "one-half hour."⁴ It was then that the people realized what they could expect in the future.

The answer should not have been a surprise to any of the thinking people of Herrin and it probably was not. More than surprising, it was shocking. People again began to make plans as to their future course of

3 Statement of Link Perrin, a personal interview.

4 Statement of H. A. Whittenberg, a personal interview.

action. This time, it has been reported, more persons were considering the possibility of relocation. Experience during the war indicated that such action was not impossible and the fact that there had been employment during the war years with good earnings and some savings made such plans possible if not attractive.

Most of the people had lived for three years, either directly or indirectly, from the wages earned in the war plant. The war plant would shortly be closed if the military operations continued successful. Then Herrin would be in the same position in which it had found itself in 1923. The results of this situation were too fresh in everyone's memory and near at hand in the nearly abandoned towns of Bush, Blairville, Corinth, Dyersburg and Pittsburgh were living reminders of what could happen. What happened to them could happen to Herrin.⁵

Growing out of the discussions of the leaders of the community while they were making their own plans for the solution of their own problems came a plan which, it was hoped, could save the town.

Even in the twenties, businessmen and workers alike were aware of the weakness of the economic base of the southern Illinois region with its sole dependence on the continued profitability of the coal mines. From time to time, this awareness would find fruition in a community endeavor on the part of one town or another in southern Illinois to "land a factory." At times the companies would indicate that if the offer of a particular town were good enough, it might be persuaded to locate in that town. There is the

⁵ Southern Illinois Brief of Suggestions for Future Use of Illinois Ordnance Plant, A report of Southern Illinois Incorporated, 1946, 2.

story of the overall manufacturer who had two nearby towns bidding against each other to see which could make the greater inducement for winning the prize and that town whose inducement in land, buildings and other cooperation was the larger did get the plant.⁶

Usually, these plants did not remain long. The reasons have not been fully explored but it is a possibility that, at the time these attempts were made, the companies which needed such attractive gifts were not on too firm a financial footing and the inducement could not be sufficient to make up a substantial difference between profitability and loss.

But, with the experience that it was possible to induce companies to locate in particular areas and that it was possible to have the cooperation of the local inhabitants in the achievement of such a goal, a plan was suggested by a prominent businessman as an alternative to selling his property and moving from Herrin. Refined by him and other leaders of business and labor, a gesture which could possibly have been the final attempt to improve the financial picture of the community, a program was presented to the people of Herrin.

The plan, in its completed form, called for the establishment of a \$100,000.00 revolving fund to be raised by a voluntary public subscription. This money would be entrusted to a corporation specifically chartered for this purpose which would be called the "Herrin Community Council" (H.C.C.). Loans could be made from this fund to any desirable manufacturer who would establish a plant in Herrin. The directors of H.C.C. would be empowered to

6 Brown and Webb, Seven Stranded Coal Towns, XIV.

make these loans free of interest or with an interest charge, depending on the particular transaction. If there was an interest charge, any profit accruing would revert to the fund but would not be passed on to the contributors. Presumably it would grow larger as time went on and more industry would be assisted in opening new plants in Herrin.

It was determined that the directors of the H.C.C. should represent the major institutional bodies: businessmen, members of the AFL and members of the United Mine Workers of America.⁷ This distinction between the AFL and UMWA is interesting as is the fact the composition of the board called for twice as many representatives of labor as of business.

It would be well to remember that the history of Herrin has always been one of a strongly union town and even the members of the business community often identified themselves with the union movement. In Herrin, it was not a question of whether a man was pro-union or anti-union so much as which union he favored. With the predominance of the coal mines as a source of early employment, it is understandable that the UMWA should enjoy a dominant position in the affairs of the day with the extreme loyalty to that body on the part of those persons who were currently or formerly members.

Most of the other tradespeople of Herrin, those following craft lines were members of unions affiliated with the AFL, and union membership in the area was much stronger than is generally considered to be the case in other parts of the country. Such groups as store clerks, which normally have

7 By-Laws of the Herrin Community Council, Article 12.

little or no union consciousness in other cities showed a decided propensity to join labor organizations in Herrin.

The composition of the board was determined to be five representatives of each group, a total of fifteen. These would be the persons to whom final authority in the distribution and terms of the fund would be entrusted. These persons would be chosen on an elective basis. The plan called for as high a degree of democratic determination of policy as was consistent with effective operation.

It is also notable that the plan did not call for or include participation on the part of governmental groups either from the town or the state. There is a feeling of independence on the part of these townspeople. Their experience has been that any assistance received from the government, though it might be timely, has always been transient in nature and their plans called for the building toward a permanent future.

The plan certainly was ambitious. The first problem was the raising of the money which would constitute the revolving fund. The money was in the town. People had been working regularly during the war and had been able to save for their future needs. The question was how could the fund best be raised. Again the method which had been successful in the past was chosen. A public rally was called, just as it was called when money was needed for the establishment of the ordnance plant, to be held in a local theater. The day was picked, September 25, 1944.⁸ The title of the day was patterned after a

⁸ Chicago Daily News, September 5, 1946, 1.

phrase that had grown popular in the military services, but this time it held even greater meaning for the residents of Herrin. "D" Day now meant Destiny Day.

At the scheduled time, all public life in the community came to a halt and people filled to overflowing the auditorium. Schools, businesses, offices; all closed, and everyone who could want to hear the leaders of various groups explain the needs for the program and the manner in which the fund would be raised and used. Before the general announcement, it had been determined that the goal would be \$100,000.00.⁹ For a town which ten years ago was flat on its financial back, this seemed to be a large offer. Approximately \$10.00 for each man, woman and child in the town.

Eighty-seven thousand dollars¹⁰ was raised, and this money has been used on a loan basis. This amount together with the industrial sites purchased by the Chamber of Commerce and given free to those industries which located in Herrin formed the major initial inducements for any incoming industry. With these to offer, the Chamber of Commerce took over the job of attracting new manufacturers. The results were that through February 1, 1963, five companies had moved in and were either in full or limited production.

In an operation of this nature wherein the community undertakes a project of such major proportions, there must be a great deal of cooperation among all groups. There were two major functions which constituted the sum

⁹ Angle, Bloody Williamson, 271.

¹⁰ Statement of H. A. Whittenberg, a personal interview.

total. They were the raising and administration of the funds and the leg work involved in selling the community to prospective companies.

In selling the subscription to the residents, all community groups were in an equally good position to approach residents and ask them to pledge. There were three basic sales points which received the major attention of solicitors. They were: give to aid the men who will be returning from service, remember what it was like before and give 5 per cent now rather than lose 100 per cent later.

The first appeal was of great value inasmuch as the subscription drives were begun while the United States was still at war and everyone at home was concerned about the welfare and future of their relatives and friends who were in service.

The second appeal was directed at those persons who could remember four years back. That included almost the entire population of the community. Those persons who were unemployed during the depression, and there was a vast number in this category, needed no amplification on the disaster which is attendant to unemployment. There were few families which did not have a member on the relief roles during some part of the depression. This was certainly a moving argument for anyone who intended to remain in the area after the war.

The final slogan was intended for those persons who had any real estate in the area or who had any capital investments in the community which

were of a fixed nature. As stated previously, experience during the depression had demonstrated that the real estate and businesses have a value only so long as they are productive. A home in an area in which no one is able to find employment ceases to be an investment and becomes a burden. Again, homes, which during the twenties were purchased for \$4,000.00, were sold as scrap in the thirties. There would be a capital loss in such a case. The argument followed the line that a gift of an amount equal to 5 per cent of the property or business owner's investment would possibly go a long way toward preventing a repetition of the recent sad experience.

The method of solicitation was simple. Representatives of the participating organizations visited the homes of the inhabitants explaining the project and asking for their cooperation. In a smaller community the force of such an appeal should not be underestimated, particularly when it comes from friends, neighbors and business associates.

In a town like Herrin, those people who know you also are aware of your financial resources and of your expense requirements. These are also the people with whom you must live and with whom you must deal. If the people are behind an undertaking of this kind, it usually is in the best interest of the majority of the population to show their fullest cooperation. This should not be construed as an inference that undue pressures are put on the recalcitrant. However, most people are tacitly aware of the penalties when the will of the majority is flaunted and all through life the non-conformist is a rarity comparatively speaking.

The raising of the fund was accomplished within a relatively short period of time and the representatives of the Chamber of Commerce set the

second phase of the plan in motion. The prospective manufacturing companies must be acquainted with the potentialities of Herrin and the advantages which the area offered must be put squarely to them. These phases will be described a little later.

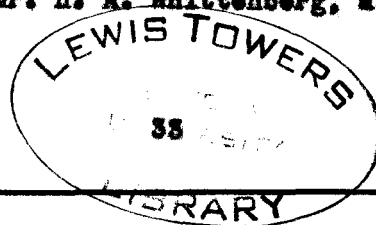
CHAPTER IV
OPERATION OF THE DEVELOPMENT
PROGRAM

A good method of examining the practical operation of the fund and the other money raising activities of the people of Herrin would be to detail the individual tailoring of the assistance offered to each of the industries coming into the area.

The first private company attracted to Herrin after the depression was the American Chrome Furniture Company, manufacturers of metal kitchen furniture which established operation in about 1944. This company did not come as a result of any activities of the Herrin Community Council but because of inducements offered by the Chamber of Commerce.¹

Normally the members of the business community have a direct financial interest in the industrial employment opportunities in their area and are willing to assist in further development of take home pay. They are also in a better financial position to aid in the improvement of these opportunities. From time to time they will band together and raise a small sum of money which will be used as a gift to prospective manufacturers as an added inducement for locating in a particular area.

1 Statement of Mr. H. A. Whittenberg, a personal interview.



In Herrin, the furniture company was given \$5,000.00 for moving expenses. Luck was not with the community for it is reported that, after about six months of operation, the company suffered a serious fire. Indications are that the losses were uninsured and the manufacturers never re-established operations. They were forced to discontinue activities and left town.²

Similarly, in 1945 another subscription drive was conducted among the businessmen and \$7,000.00 was raised for the renovation of a local building.³ This building was converted for the use of the Independent Casing Company, manufacturers of sausage casings. Little information is available regarding the operations of this group. There is some unauthenticated indication that labor difficulties may have impeded their operations but the available material does not definitely substantiate this position. Within a few years, following sporadic operations and irregular employment, the twenty or so employees were laid off and the plant closed. The most probable reason for the failure of this venture is to be found in the unprofitability of the product in a highly competitive line. Synthetic casings were steadily gaining in popularity among other manufacturers and it has been stated that the Independent Company produced only natural casing materials.⁴

² Ibid.

³ Herrin Chamber of Commerce News, August, 1945, 1.

⁴ Correspondence in the file of the Herrin Chamber of Commerce gives this impression.

The significance of these attempts does not lie in their failures. The real importance is that in spite of two failures, the community continued to plan and work and raise money for the future. They continued in the face of two obvious failures.

The first company to locate in Herrin following the activities of the residents in the development of their plan and after the collection of the fund was well under way was the Norge Division of the Borg-Warner Company. This organization selected Herrin as the site of their home laundry equipment manufacturing plant. It is one of six plants operated by the Norge Division.⁵ All of these plants are located in the middle west. Newer plants have been constructed in communities about the size of Herrin.

When the top executives of Norge came to the Herrin area after hearing of the activities of the local groups, they stated they did not feel that industrial sites in small towns were an inducement to business organizations looking for new manufacturing locations. Every small town has a pasture or two of level ground situated more or less conveniently to the town which are often called "industrial sites." Neither was financial assistance an inducement to them because of the strength of their company.⁶

They said that when they look for a new location, they look for more than available space and manpower. They expressed a particular concern

⁵ Moody's Manual of Investments, Industrial Securities, John S. Porter, Editor in Chief, 1953, New York, 2194.

⁶ Statement of Mr. H. A. Whittenberg, a personal interview.

regarding the degree of cooperation which they would expect, not only from the business community but from the entire community. Although they did not need any of the aid they could have received from the community fund, still the fact that such a fund was raised by the citizens seemed an indication to them that this would be a location in which they could reasonably expect the aid of everyone in the successful establishment of their new plant. The town had proved its interest in its own future and was deserving of the confidence of the industrial leaders. Cooperation could be expected and a plant should be established in Herrin.

The construction of the Herrin plant was begun in August of 1945 and production began in July of 1946.⁷ Their operations were sufficiently successful to justify a major expansion in plant and manufacturing facilities. There are approximately 650 persons employed at the plant and, of these, about 70 per cent are male.⁸

The Norge Division did not receive any financial assistance from the community group. A building site valued at \$25,000.00 was offered and the plant was constructed on the property, but the company officials have announced their intention of donating the value of this land to a worthy community endeavor at some time in the future.⁹

7 Statement of Mr. George Anderson, a personal interview.

8 Statement of Mr. George Artis, a personal interview.

9 Statement of Mr. H. A. Whittenberg, a personal interview.

The Norge Division was followed in 1946 by the Smoler Brothers, Inc., a Chicago dress manufacturing organization, which was in need of more space. The establishment of the Smoler Company was the only use to date of the funds available through the Herrin Community Council.

The funds, as has been mentioned, are entrusted to the care of a fifteen member board for the construction of plant buildings. They can be loaned to the builder on terms agreed to by the fund representatives and the builder. Any profit derived from the arrangement will revert to the fund. It is a profit making but not a profit distributing enterprise; no profits are paid to the contributors.

To finance the construction of the plant, it was decided that a total of \$170,000.00 would be required. Of this total, \$80,000.00 would come from the Herrin Community Council and \$90,000.00 would be raised by the sale of long term 4 per cent notes to individual investors from the community apart from the community fund.¹⁰ These notes are in denominations of \$1,000.00 each and it has been reported that the local resale opportunities are very good.

To insure the tax free status of the Herrin Community Council in this transaction, a separate corporation was established, Herrin Industries. The Herrin Community Council then lent \$30,000.00 directly to Smoler at 4 per cent interest and purchased all outstanding stock in Herrin Industries for \$50,000.00.¹¹ Herrin Industries lent the \$50,000.00 received from the sale of

10 Ibid.

11 Ibid.

the stock directly to the Smoler Company without interest.¹²

In this manner the Smoler Company received a total of \$170,000.00 at a reasonable rate of interest without the bother and expense of going into the open market. The total interest cost to Smoler can be computed in the following manner:

TABLE II
COST OF SMOLER FINANCING

Amount of Loan	Rate of interest	Annual interest charge
\$30,000.00	4%	\$1,200.00
50,000.00	0	0
90,000.00	4	3,600.00
\$170,000.00	2.83%	\$4,800.00

Normally, an interest rate as low as this is an incentive to a company to construct in a town where other things are equal. Since Herrin had many advantages as the willingness of the Norge Company indicates, the loan of investment capital is a substantial incentive to select Herrin. However, in addition, the Chamber of Commerce also provided an industrial site free of any cost to the Smoler Company. This site is valued at \$10,000.00.¹³

The Smoler Company is now in full operation. The construction which was started in July of 1946 was completed in September of 1947.¹⁴ There was an

12 Ibid.

13 Ibid.

14 Statement of Mr. George Anderson, a personal interview.

addition built in December of 1950 which now makes possible the employment of 475 persons¹⁵ made up almost entirely of women.

The Herrin area did not normally have a large number of women employed. Only with the coming of the war was there an opportunity for women to engage in industrial pursuits. Outside of clerical and store employment, the old economy offered few opportunities to women. The Smoler Company, which manufactures women's dresses, required a large number of women to handle almost every phase of their manufacturing operation. The work to be done was of a nature entirely new to the residents of the area. These women never had opportunities to handle power sewing machines. To solve this problem the Chamber also raised \$20,000.00 to provide pre-employment training in the manufacturing methods utilized by Smoler to selected townspeople.¹⁶

In 1951, the Herrin Chamber of Commerce was able to interest the International Staple Company to locate in Herrin. This company, which manufactures commercial and industrial stapling equipment, raised \$160,000.00 through the sale of 4 per cent notes to the community. These notes, secured by the value of the plant building, were sold with the assistance of the Chamber of Commerce in denominations of \$1,000.00 to individual citizens.¹⁷ This money again was used for the construction of a manufacturing plant which now employs 150 men. It is expected that this company will also begin an

15 Statement of Mrs. Louise Hamilton, a personal interview.

16 Statement of Mr. H. A. Whittenberg, a personal interview.

17 Ibid.

expansion program which may double employment and triple output. No money came from the Herrin Community Council since all but a small amount was in use for the Smoler Plant. Construction began for International in September of 1950 and was completed in June of 1951.¹⁸ They also received a site from the Chamber of Commerce free of charge valued at \$10,000.00.¹⁹

The latest effort, in 1951, involved construction of a plant for the Allen Industries and was the largest undertaking of the community. Allen is a corporation which has been spreading out from their Detroit location. They currently have six plants, including the one in Herrin, manufacturing cotton, felt and jute fibre products for use in automobile upholstery and body construction and also rug and carpet cushions and linings for domestic and general use.²⁰

The construction of facilities for this company involved the raising of \$771,000.00 from the community together with \$800,000.00 from outside sources.²¹ This venture, in addition to being the most ambitious, also was the first which required outside financial aid. It was expected that the construction of the plant facilities would require at least \$1,500,000.00, which was obviously beyond the ability of the town to raise. Investigation revealed that an insurance company would supply \$800,000.00 first mortgage money to the

18 Statement of Mr. George Anderson, a personal interview.

19 An undated letter from Mr. H. A. Whittenberg to Mr. Fred Harrison.

20 Moody's, 904.

21 H. A. Whittenberg, "How Our Bank Brought Life to a Ghost Town," Northwestern Banker, DCCXXII, November, 1951, 40.

venture if the construction of the building was completed, but they would not undertake to invest prior to the completion. They did not feel that they could accept the risks involved in construction.²²

The community leaders were in the position of both undertaking the construction of the facilities and raising of the \$1,500,000.00. To do this, 4 per cent notes were sold to subscribers in the community. In this manner they raised \$771,000.00. The problem of interim financing, though, was the major worry. The Allen company was taking over the property on a purchase lease agreement which meant that the community corporation which was established on a tailor-made basis to meet the needs of this transaction would for some time to come actually own the plant. Herrin Economic Development Association, a separate Corporation capitalized by the sale of bonds, will be the manager of the property for twenty years and will act as the owner of the second mortgage. At the end of that time, if Allen so desires, they will be permitted to purchase the facilities from H.E.D.A.

To raise the remaining \$800,000.00 for interim financing, most of the larger lending institutions in Illinois were contacted. None of them were particularly interested because of the risks involved. Their feelings were based on the unusual nature of the financial transaction which involved community notes and on the fact that, in their thinking, this was still an untried industrial area. However, after considerable effort and time, two banks signified their willingness to participate in the transaction.

22 Statement of Mr. H. A. Whittenberg, a personal interview.

Each established a loan account of \$400,000.00 in the name of the Herrin Economic Development Association which was used along with the money raised by the sale of the community notes for the construction of the plant.²³ After the plant was completed, the bank loans were repaid with the money received from the insurance company. In addition, Allen also received a site valued at \$23,000.00 as a gift.²⁴

Construction of the plant building began in April of 1951 and was completed in July of 1952.²⁵ At the time of the field trip, this plant was not as yet in full operation although a part of the facilities were in use and full operations were scheduled to begin within a short time. It was expected that approximately 600 persons, almost all of whom will be men, would make up the work force.²⁶

Recently, Staplex, another manufacturer of industrial stapling equipment has also established operation in Herrin and employs about 25 persons. They have, however, received no community aid.²⁷

A summary of the results of the activities to date can be seen in Table III.

23 Ibid.

24 An undated letter from Mr. H. A. Whittenberg to Mr. Fred Harrison.

25 Statement of Mr. George Anderson, a personal interview.

26 Statement of Mr. Arthur Hamilton, a personal interview.

27 Statement of Mr. H. A. Whittenberg, a personal interview.

TABLE III
COMMUNITY INVESTMENT AND RETURN

Company	Community investment	Community gifts	Normal work force	Approximate ^a annual payroll
Norge	None	(\$25,000.00	650	\$1,500,000.00
Smoler	\$170,000.00	30,000.00	475	700,000.00
International	160,000.00	10,000.00	150	450,000.00
Allen	771,000.00	25,000.00	600	1,250,000.00
Staplex	None	None	25	70,000.00
Total	\$1,101,000.00	\$65,000.00	1,900	\$5,970,000.00

a These annual earnings are based on the approximate hourly wage rates quoted by the operating executives of the plants visited.

In addition to these permanent jobs, approximately 50 men were employed for a period of five years in the necessary construction work.²⁸

The 1900 jobs are an important gain in the community of Herrin. The accomplishments are even more spectacular when considered in light of the cost. Of the total investment, only \$65,000.00 can be considered a non-recoverable sunk cost - the training fund and the various sites, \$87,000.00 in the

²⁸ A statement of Mr. George Anderson, a personal interview.

revolving fund is intact and could conceivably revert back to the contributors although this appears unlikely at the present time. The remainder of the investments are profitable earnings for the contributors with earnings at 4 per cent interest.

Annual income of about \$3,970,000.00 is being earned by an investment of either \$83,000.00 or \$150,000.00 depending on the basis of calculation.

These activities have been profitable for all parties concerned; manufacturers, workers, contributors and investors. They have not completely solved the problem of providing full employment for the work force of Herrin but they have been of immeasurable importance in preventing Herrin from becoming a ghost town.

CHAPTER V

INTERNAL WORKINGS BEHIND THE PROGRAM

So far, only the actual operational aspects of the project have been considered; the funds, the companies attracted in Herrin and the methods of financing their relocation. The internal relationships in the community, including initiative, leadership, coordination and cooperation have not been considered as yet nor have the various subjective factors such as sales methods and lines of attack.

The initial guiding force behind most of the activity which took place in Herrin was in the person of O. W. Lyrla, a local business man. Among his interests was the local radio station. He was also very active in the Democratic Party. He has since relinquished the active leadership to others in the community, but during his time, he was able to organize and instill in his associates such a strong feeling of the benefits which would accrue from the successful completion of the projects that there seems to be no slaking of enthusiasm or vigor during the transition period.

This is, to a great extent, the outgrowth of the propensity of the Herrin population to join voluntary organizations and in this manner to develop a better than average quality of leader from among its citizens. Not only did the quality of a leader seem to be better than would be expected but there are also a greater number of qualified persons than would be normal for a community the size of Herrin.

Although Mr. Lyrla was quite ill at the time of the field trip and it was impossible to conduct an interview with him, a number of inquiries were put to the others who had been associated with him in various activities over the years. There seemed to be general agreement as to his background, methods and qualifications. It can also be said that there were any number of persons in the community who could have, and, if circumstances required, undoubtedly would have taken the place of this man. There are three basic reasons why Lyrla was elevated to the role of leader in this project.

1. He had substantially curtailed his business activities.

As a result he was able to devote his full time to the project.

2. His political affiliations were very strongly Democratic. Because of this, he was better able to assist in the location of Ordill Ordinance Plant and was also active in most of the community projects when it was necessary to enlist the support of the party in power.

3. His past experience with these projects made him interested in this type of work and his accomplishments had won for him recognition as a man well qualified for the work.

Before any of the steps could have been attempted, it was necessary to have assurances that all the major groups in the community would cooperate to the fullest extent. Because of the nature of the undertaking, it is obvious that there must be support not only from all citizens but also from all of the groups. One non-supporting segment of the society of Herrin could com-

pletely destroy the entire fabric of the plan. If, for instance, business men failed to contribute their fair share, then there was no hope of raising sufficient money to make the project feasible. If the labor unions did not support the project, then strikes, slow downs or unreasonable demands of the workers could impede the progress of the work on the construction of the buildings or would make a reputation for Herrin as being a town with undependable union leadership.

This inter-group cooperation lying at the foundation of the entire program was effectively developed for the initiation of the project. It was achieved with a minimum of internal pressures and seems to have had its origin in the tacit acknowledgement that the best interests of all groups would be, in the long run, found in the industrial renaissance of the community. An example of the processes which led to the development of this spirit of inter-group cooperation can be found in the method employed by one segment of the population when they made their decision to go along.

When Lyrle decided that he would be willing to accept the full time job of handling the project for expense money plus a small monthly salary, the Republican business men wondered if there was any possibility of questionable motives on the part of Lyrle who, as has previously been said, was a very active member of the Democratic party. At an informal meeting, after a discussion of the various possibilities which could lie behind Lyrle's offer, the determining analysis was that he could do nothing to help himself through his activities in his official capacity which would not help everyone else as well. Therefore, if the rewards of the work would be shared by all groups within the community, they, as the Republicans would also reap their reward, and there

would be no reason for them to withhold cooperation and assistance.¹

This analysis is typical of that undertaken by almost all of the citizens and groups of citizens in Herrin. There was no indication that any of the major groups were in any way antagonistic to the project and, from almost everyone, the very highest degree of cooperation was received.

There was, then, a leader and close cooperation of the groups in the community. The basic plan of the Community Council and the "D" Day activities, together with the various subsequent fund drives, was not the product of the leader's direction however. Though Lyrla was given a great deal of freedom, still the democratic nature of the community made it desirable that all of the groups assist in the planning and selection of goal and methods. An example of this is to be found in the tripartite nature of the Community Council.

In the selection of the specific objectives of the community, the Chamber of Commerce set out a long range list of the needs of the community as an aid to the design of a reasonably sound economy. So that some of these do not seem to be prophetic, it should be remembered that a few were based on contacts already made with the representatives of outside industries.

The needs are listed as being:

A laundry

A farmers' exchange market

An inter-community bus service

¹ Statement of Mr. H. A. Whittenberg, a personal interview.

A bakery

A Department of Agriculture in the high school

A furniture factory

A dress factory

A casing factory

A heavy industry

An appliance industry

A concrete manufacturing plant

A poultry processing plant²

Some of these companies have been attracted to Herrin and the fact that the list has not been completely filled is of no great importance. The significance of the list is that it indicates some degree of constructive thought about the community needs and what industries would be most successful in the area.

However, it can be said that there was little real planning about the type of industry that the community was attempting to attract. Because of the nature of the plan, it was a hit or miss proposition. Whenever a company seemed interested, representatives would make contact with the executives of the company and determine if it would be desirable to have the company locate in the area. Since the goal at first was to obtain the greatest number of permanent jobs with the minimum of capital investment, it is only natural that the companies which were finally brought into the area were of the light manufacture and assembly type.

² Herrin Chamber of Commerce News, August, 1945, 2.

In their attempts to contact the prospective manufacturers, the major tools were the industrial agents of the railroads serving Herrin and factory locating services. The industrial agent is an employee of a railroad who is charged with the responsibility of attempting to convince business executives that the best location for new or expanded facilities would be along the right of way or spur of his railroad. These men are aware of the needs of plants seeking to relocate and were of great assistance to the community groups in Herrin when it came to the development of leads and in recommending Herrin to the manufacturers. The main limitation to the utilization of these services is that the industrial agent is not particularly interested in one town but in any place along the route of his railroad.

The problem of new plant location is quite complex and most companies do not build new plants with the regularity needed to maintain a staff of personnel sufficiently well trained and experienced to handle relocating problems. Tax rates, labor availability, the soil structure, transportation are only some of the factors which must be considered for many areas of the country and for various towns within each of these areas before deciding on where new facilities are to be built. Only the very largest industrial organizations are able to maintain a staff of experts who are well versed in all of these considerations. As a consequence, most of the companies avail themselves of the services of consulting factory location experts. These firms will consider the needs of their clients and, based on engineering studies, recommend the best locations. Several of these factory locating services also assisted in the recommendation of Herrin to their clients.

On their own heck, the townspeople did a great deal to sell the

management of various companies on Herrin as a desirable location. The sales work of the various business leaders in Herrin is deserving of considerable credit for the success of the work which has been accomplished.

This sales activity is best illustrated by the manner in which the executives of the Allen Industries were finally sold on Herrin. The Herrin people had been trying for some time without any measurable success to sell the idea of Herrin together with its advantages to these men and yet they were not able to get anywhere. They had visited the Detroit offices but were never able to see the proper persons. Several other locations were being considered.

Then one day, they learned that the top executives were going to visit Memphis, Tennessee to look at a site in that city. They were leaving Chicago on a particular train. The representatives of Herrin hurriedly met to consider a course of action. The final result of the meeting was an automobile ride made at great haste to Champaign, Illinois and the boarding of the train without knowing for sure for whom they were looking. By the time the train reached Carbondale, they had found the Allen executives, talked with them and sold them on Herrin as the location for the new plant. The trip to Memphis became perfunctory for the Allen representatives and, on their return, plans were drawn up with the Herrin leaders for the location of their plant in that town.³ The trip was a gamble and is indicative of great imagination and courage. Throughout their work, the people of Herrin have employed devices such as this to achieve their goal.

³ St. Louis Globe-Democrat, March 2, 1951, 1.

CHAPTER VI

AN ANALYSIS AND COMPARISON

Periodically, more mine closings are announced in various parts of the country. The story of the proposed closing of various units of the American Woolen Company has attracted attention and there has been considerable discussions of proposed plans to minimize the effects on the local community which these actions will have. Perhaps the pattern employed in Herrin will be proposed in other towns and areas. However, the results which Herrin enjoys might not necessarily accrue to other communities employing the same techniques.

Each community has its own assets and limitations which must be considered before a method is adopted. In Herrin, the following factors had considerable bearing on the successful outcome:

1. Herrin grew along with but independently of the coal mining companies.
2. A spirit of unity and cooperation pervades all community organizations, social, business and union.
3. People of Herrin join; the townspeople organize often and willingly for a variety of programs and enjoy an abundance of good leaders.
4. The townspeople wanted to remain in the area.

5. Because of their background and experience, the community did not wish to resort to governmental aid.
6. These events transpired during a period of business expansion when new facilities were being built throughout the nation
7. In spite of its plight, the community made capital available for community investment.

It is quite probable that unless these factors were present, the entire program at Herrin would have taken a different form. It is possible that there would have been no program or the program would not have achieved its notable success.

Some of these elements have been discussed earlier. The fifth factor, the unwillingness to accept governmental aid, can be amplified. The experience of the Herrin populace with governmental programs in the past involved the public works program of the depression and the government plant at Ordill during the war.

Certainly for an area which was depressed for so many years and which had such a high percentage of unemployment, there could be expected to be a feeling of embarrassment and helplessness attached to the acceptance of these federal and state aid checks. After a number of years, people who are working on projects of a make-work nature begin to resent their own inability to perform fully useful jobs. Although they were working on worthwhile projects, still the fact that it was not privately useful made the work less satisfying.

Moreover, experience indicated to them that work on government projects can be terminated quickly and easily. They learned that it is impossible to count on continued government work. The very statement of Col. Ware that thirty minutes after World War II was over, Ordill could be expected to close must have had a lasting effect on all citizens.

However, the basic unwillingness to consider outside aid may go deeper than these two experiences. Herrin has traditionally resorted to self help. This self help attitude has manifested itself in the past and has been of considerable importance in tracing the history of Herrin. It prevented the formation of a Company town, it placed Herrin in the vanguard of labor organization. It can be seen in the mine war and the Klan war, in the location of Ordill and only lately in the Herrin Community Council. This latest project has been called Operation Bootstrap and indicates a dominant theme throughout the growth of Herrin. One of the unanswered questions of this project must be the causes of the self help attitude of Herrin.

A second major question remains to be considered. How far can the citizens of Herrin be expected to go in continued cooperation with industry once it has been established. When Norge came to Herrin they indicated that they could find land, money and an ample work force in any number of communities. When they selected the site they did so to find a cooperative group of people and saw in the Herrin Community Council indications of this spirit of cooperation.

One of the few unfavorable comments heard in Herrin regarding the results of the program came from a manufacturing executive. He stated that

it was almost impossible to negotiate with the union representative and that his plant and others were subjected to a number of short duration wild-cat strikes. Although these strikes were not very costly, they were annoying. This seemed unusual in view of the statements made by reliable sources that the number of work stoppage of southern Illinois was less than the national average.

When the question was investigated, it was learned that people of Herrin are still very loyal to the leadership of the UMWA. When a certification election is held to determine who the bargaining agent shall be in the plant, the UMWA is excluded from the ballot because the leaders have not filed non-communist affidavits.¹ This gives the worker the choice of voting for no union, which, in view of past experiences is out of the question, or voting for an outside union.

They vote for and join the outside union but refuse to accept the leadership and policy of the outside international union. This places the negotiations on both sides in a most difficult position and handicaps real collective bargaining.

This, however, is not too serious a problem when considered along with the advantages, industrially, to be found in Herrin. Its significance lies in the area of the degree of cooperation which manufacturers can expect. People will cooperate as long as their best interest lies in such a course of action. One of the significant constituents to cooperation is loyalty.

¹ National Labor Relations Act as amended to June 23, 1947
Section 9 h.

The people of Herrin are first loyal to their own community and secondarily to the industries which come into the community. Based on observation, it may be possible to say that today, the industries are considered outsiders and as such can expect only moderate cooperation for the time being.

People of Herrin raised money and worked at their project only to help themselves and their town. Insofar as any future action will help them in the short run they will follow that course of action in their own self interest and out of loyalty to their town and townspeople. It is doubtful, though, if that loyalty will be transferred to these outside institutions within the near future.

Phillip H. Ragan has studied a number of industrial corporations in New England and has stated some tentative conclusions which he feels underlie typical community organizations. His major points include the followings:

1. The foundation grows out of a crisis and is usually sparked by a single strong personality.
2. In all instances, the crises have been met by businessmen.
3. The interest of the citizens generally can be expected to wane early.
4. Organized labor is unlikely to participate.
5. The businessman acts because of the direct relationship between payroll and personal

income.²

Within certain limits, the findings of Ragan are confirmed by what has happened in Herrin. The events have included a crisis, strong leadership, waning citizen interest and the strong interest of businessmen. But in the role of labor, there is a fundamental departure from the pattern of New England. That variation is highly interesting.

Ragan divides his communities into three elements: Businessmen, labor unions and citizens in general. In many communities, there may be clearly defined distinctions between these three groups but this is not the case in Herrin.

At Herrin almost everyone has closely united himself with the coal miners. Most of the men have at one time been coal miners and those who did not work in the pits have been united with those who have, if not in fact, at least in spirit.

Without trying to sound trite, it should be said that Herrin has not as yet developed a middle class businessman who combines with other businessmen for their mutual advancement. Identification in Herrin is to Herrin and not to specific occupational groups.

Ragan's thesis might be modified to the extent that the community will organize and react in a crisis as it has grown and reacted in the past. If it is possible to say that a community has an individual personality then the community will react on the basis of that personality rather than along

² Phillip Ragan, "Industrial Foundations and Community Progress," Harvard Business Review, XXX, November-December, 1952, 79-80.

well defined lines. Consequently, any proposed program should consider the town itself first and the experience of other community programs second.

The characteristic feature of Herrin is predominately independent, united and courageous. It has responded to a crisis admirably in accordance with its personality and achieved signal success. Not every community in the United States could have accomplished what has been done in Herrin. The percentage that could might be very small but the real importance is that it was done alone.

Mount Carmel, Pennsylvania attempted a similar program. The town raised \$25,000.00 for industrial investment and failed in the venture.³ The fact that money can be raised is only the first consideration for such an undertaking. As has been seen Herrin had more than money. Herrin is a smaller town than Mount Carmel, raised many times that sum and has achieved victory. People of Herrin have done much of which they can be justly proud because of other strengths inherent in the town. They have done what those who study physics say is impossible; they have lifted themselves by their own bootstraps.

³ E. C. Kellog, "Industry, A Town is Dying without It," The Iron Age, CLXX, December 25, 1952, 17.

BIBLIOGRAPHY

I. PRIMARY SOURCES

A. BOOKS

Angle, Paul M., Bloody Williamson, New York, 1952.

Bituminous Coal Institute, Bituminous Coal Annual, 1952, Washington, D.C., 1952.

Brown, Malcolm and Webb, John, Seven Stranded Coal Towns, Washington, D.C., 1941.

Department of Commerce and Labor, Bureau of the Census, Thirteenth Census of the United States, Washington, D.C., 1913.

Herrin Junior Chamber of Commerce, City Directory of Herrin, Illinois, 1948.

Horowitz, Morris A. and Carlton, Martha, Crab Orchard Labor Market Survey, University of Illinois, Institute of Labor and Industrial Relations, Urbana, Illinois, 1948.

Porter, John S., Editor in Chief, Moody's Manual of Investments, Industrial Securities, New York, 1953.

Slichter, Sumner H., The American Economy, New York, 1950.

U.S. Department of Commerce, Bureau of the Census, Census of Population: 1950 Washington, D.C., 1952.

B. ARTICLES

An Economic and Commercial Survey of Herrin, Illinois, Illinois State Planning Commission, 1941.

Chicago Daily News, September 5, 1946.

Herrin Chamber of Commerce News, August, 1945.

Kelleg, E.C., "Industry, A Town Is Dying Without It," The Iron Age, CLXX, December 25, 1952.

Ragan, Phillip, "Industrial Foundations and Community Progress," Harvard Business Review, XXX, November - December, 1952.

St. Louis Globe - Democrat, March 2, 1951.

H. A. Wittenberg, "How Our Bank Brought Life to a Ghost Town," Northwestern Banker, DCCXXII, November, 1951.

II. SECONDARY SOURCE

Shister, Joseph, Economics of the Labor Market, Chicago, 1949.